

Message Text

CONFIDENTIAL

PAGE 01 BANGKO 06439 151057Z

43

ACTION EA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01

L-02 H-02 PM-03 PA-01 PRS-01 USIA-06 IO-10 SSO-00

/097 W

----- 013632

R 150932Z APR 75

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 2760

INFO SECDEF WASHDC

CINCPAC HONOLULU

CINCPACAF HICKAM AFB

CDR USARMY PPOC AGCY FT SHAFTER HI

CDR USACC FT HUACHUCA AZ

COMUSMACHTAI, BANGKOK

C O N F I D E N T I A L BANGKOK 6439

E.O. 11652: GDS

TAGS: MARR, TH

SUBJECT: THAILAND FACILITIES MAINTENANCE CONTRACTS

REF: A) STATE 12418; (B) BANGKOK 2194; C) CINCPAC 202147Z

MAR 75; D) BANGKOK 4313; E) CINCPAC 050316Z APR 75;

F) BANGKOK 19047

SUMMARY:

TIME HAS VIRTUALLY RUN OUT SOLUTION WITH RTG
ON TAX QUESTION. EVEN IF THE THAI REPLY TO KINTNER-SANYA
LETTER, INSUFFICIENT TIME REMAINS BEFORE EXPIRATION OF
CURRENT CONTRACTS TO NEGOTIATE FURTHER. WE MUST THEREFORE
PREPARE FOR CONVERSION TO ONLY OPTION AVAILABLE, IN-HOUSE
OPERATIONS. THIS OPTION IS COST EFFECTIVE AND PROVIDES
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BANGKO 06439 151057Z

DESIRABLE FLEXIBILITY DURING PROBABLE DRAWDOWNS. THE

THAI, ALREADY FOREWARNED, HAVE WELCOMED IN-HOUSE APPROACH IN PRINCIPLE AS A WAY TO AVOID THE TAX ISSUE AND ELIMINATE THIS LONG-STANDING IRRITANT. THEY HAVE NOT, HOWEVER, GIVEN FINAL APPROVAL. END SUMMARY.

1. NO REPLY HAS BEEN RECEIVED FROM THE PRIME MINISTER TO AMBASSADOR KINTNER'S 22 JAN. 1975 LETTER (REF A). WE HAD BEEN INFORMALLY ADVISED BY PHAEN WANNAMETHI, UNDER SECRETARY, MFA THAT A SOMEWHAT NEGATIVE REPLY HAD BEEN PREPARED, AND IS NOW SOMEWHERE IN THE PRIME MINISTER'S STAFF. EVEN IF A REPLY IS RECEIVED, THERE NO LONGER APPEARS TO BE SUFFICIENT TIME TO CONDUCT MEANINGFUL NEGOTIATIONS AND IMPLEMENT THE RESULTANT SOLUTION PRIOR TO THE EXPIRATION OF THE CURRENT CONTRACTS. IN THE ABSENCE OF ANY NEGOTIATION PROGRESS, EVERYTHING INDICATES THAT THE RTG WOULD NOT BE RECEPTIVE TO EXTENDING THE CURRENT CONTRACTS. THIS LEAVES US ONLY ONE WORKABLE ALTERNATIVE, CONVERSION OF THE CURRENT CONTRACTS TO IN-HOUSE OPERATION.

2. THE SURVEY RECENTLY CONDUCTED BY CINCPAC (REF C) INDICATES THAT THE IN-HOUSE OPTION IS THE MOST COST EFFECTIVE WAY TO GO. FURTHERMORE, SINCE IT APPEARS THAT WE MIGHT BE REQUIRED TO MAKE SIGNIFICANT DRAWDOWNS IN THE NEXT TWELVE MONTHS OR SO, THIS OPTION IS ADDITIONALLY ATTRACTIVE BECAUSE OF THE FLEXIBILITY IT AFFORDS FOR SUCH ACTION.

3. IT APPEARS THAT EXERCISING THE IN-HOUSE OPTION WOULD PLEASE THE THAI. WHEN HE WAS THE DEPUTY FOREIGN MINISTER IN THE SANYW GOVERNMENT, FOREIGN MINISTER CHATCHAI CHUNHAWAN OPINED THAT WE WOULD NOT HAVE HAD THE TAX PROBLEM IF OUR MILITARY HAD CONTINUED TO PERFORM THE WORK ITSELF AS IT ORIGINALLY DID (RED F). THE CHARGE HAS ALSO DISCUSSED THE IDEA WITH PHAEN WANNAMETHI, WHO AGREES IN PRINCIPLE WITH THIS SOLUTION TO A LONG-STANDING PROBLEM. PHAEN WILL TRY TO DETERMINE THE STATUS OF THE REPLY TO AMBASSADOR KINTNER'S LETTER AND AND ATTEMPT TO SUSPEND FURTHER ACTION ON IT. SINCE THAT LETTER RAISED THE POSSIBILITY OF OUR BEING REQUIRED TO GO THIS WAY IF THE TAX ISSUE COULD BOT BE SETTLED, OUR PROCEEDING ALONG THOSE LINES COULD BE ANTICIPATED BY THE RTG.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BANGKO 06439 151057Z

4. FOLLOWING UP ON THE CHARGE'S CONTACTS WITH PHAEN, THE ADCM FLOATED THE IN-HOUSE IDEA WITH CHIEF OF STAFF SUPREME COMMAND GENERAL KRIANGSAK CHAMANAN. KRIANGSAK IMMEDIATELY SEIZED ON IT AS THE BEST OUTCOME AND UNDERTOOK TO COMMUNICATE THIS TO PHAEN.

5. WE REALIZE THAT THE MILITARY AGENCIES DIRECTLY CONCERNED

WILL NEED A REASONABLE AMOUNT OF TIME TO IMPLEMENT A CHANGE-OVER TO IN-HOUSE OPERATIONS. IT IS ESTIMATED THAT INVENTORY OF GFC TO BE RETURNED TO MILITARY CUSTODY MUST BEGIN BY 15 APR. 1975. ACTION MUST BE STARTED AROUND THAT TIME TO IDENTIFY THOSE CONTRACTOR POSITIONS TO BE FILLED BY U.S. GOVERNMENT PERSONNEL. THE U.S. NATIONAL EMPLOYEES OF THE CURRENT CONTRACTORS WILL PROBABLY HAVE TO START MOVING OUT OF THAILAND AROUND 15 JUNE SINCE THE VISAS OF THOSE EMPLOYED BY AMPAC AND TRANS-ASIA EXPIRE ON 30 JUNE. IT WILL BE DESIRABLE AND IN SOME INSTANCES NECESSARY TO HAVE SOME OVERLAP BETWEEN THESE EMPLOYEES AND THEIR REPLACEMENTS, AND THE REPLACEMENTS SHOULD BE GIVEN REASONABLE ADVANCE NOTICE OF THEIR IMPENDING TRANSFER. CONSEQUENTLY, WE BELIEVE THAT PLANNING SHOULD NOW BE COMPLETED PREPARATORY TO IMPLEMENTING IN-HOUSE OPTION SO THAT THE TRANSFER CAN TAKE PLACE AT THE EXPIRATION OF THE CURRENT CONTRACTS.

6. ACTION REQUESTED: IMMEDIATE FORWARDING TO EMBASSY BANGKOK OF DETAILED PLANS FOR IMPLEMENTATION OF THE IN-HOUSE OPTION. UPON RECEIPT OF THE DETAILS (E.G., NUMBERS

OF U.S. MILITARY PERSONNEL INVOLVED, WHETHER THEY WOULD BE ADDITIONAL TO TOTAL FORCES ALREADY IN THAILAND, FUNCTIONAL DESCRIPTIONS, ETC.), WE WILL SEEK FORMAL RTG APPROVAL SOONEST.
MASTERS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY EXPENDITURES, TAX RELIEF, SERVICE CONTRACTS, MILITARY BASES
Control Number: n/a
Copy: SINGLE
Draft Date: 15 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BANGKO06439
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750131-0263
From: BANGKOK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750447/aaaabrj.tel
Line Count: 141
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 STATE 12418, 75 BANGKOK 2194, 75 CINCPAC 202147Z
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUL 2003 by CunninFX>; APPROVED <21 NOV 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: THAILAND FACILITIES MAINTENANCE CONTRACTS
TAGS: MARR, EFIN, TH, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006